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**Monday,
December 3, 2001**

Part LVI

Federal Reserve System

Semiannual Regulatory Agenda

FEDERAL RESERVE SYSTEM (FRS)

FEDERAL RESERVE SYSTEM

12 CFR Ch. II

Semiannual Regulatory Flexibility Agenda

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Semiannual regulatory agenda.

SUMMARY: The Board is issuing this agenda under the Regulatory Flexibility Act and the Board's Statement of Policy Regarding Expanded Rulemaking Procedures. The Board anticipates having under consideration regulatory matters as indicated below during the period October 1, 2001, through April 1, 2002. The next agenda will be published in April 2002.

DATES: Comments about the form or content of the agenda may be submitted any time during the next 6 months.

ADDRESSES: Comments should be addressed to Jennifer J. Johnson, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, DC 20551.

FOR FURTHER INFORMATION CONTACT: A staff contact for each item is indicated with the regulatory description below.

SUPPLEMENTARY INFORMATION: The Board is publishing its October 2001 agenda as part of the October 2001 Unified Agenda of Federal Regulatory and Deregulatory Actions, which is coordinated by the Office of Management and Budget under Executive Order 12866. The agenda also identifies rules the Board has selected for review under section 610(c) of the Regulatory Flexibility Act, and public comment is invited on those entries.

Participation by the Board in the Unified Agenda is on a voluntary basis.

The Board's agenda is divided into three sections. The first, Proposed Rule Stage, reports on matters the Board may consider for public comment during the next 6 months. The second section, Final Rule Stage, reports on matters that have been proposed and are under Board consideration. A third section, Completed Actions, reports on regulatory matters the Board has completed or is not expected to consider further. Matters begun and completed between issues of the agenda have not been included.

A dot (•) preceding an entry indicates a new matter that was not a part of the Board's previous agenda and which the Board has not completed.

Margaret McCloskey Shanks,
Assistant Secretary of the Board.

Federal Reserve System—Proposed Rule Stage

Sequence Number	Title	Regulation Identification Number
4469	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System	7100-AC73
4470	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control	7100-AC78
4471	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control(Docket Number: R-1084)	7100-AC80
4472	Regulation: T — Credit by Brokers and Dealers; Regulation: U — Credit by Banks; and Regulation: X — Borrowers of Securities Credit (Docket Number: R-0995)	7100-AC45
4473	Regulation: Y — Bank Holding Companies and Change in Bank Control	7100-AC66
4474	Regulation: BB — Community Reinvestment (Docket Number: R-1112) (Section 610 Review)	7100-AC87
4475	Regulation: DD — Truth in Savings Act (Section 610 Review)	7100-AC86

Federal Reserve System—Final Rule Stage

Sequence Number	Title	Regulation Identification Number
4476	Regulation: B — Equal Credit Opportunity (Docket Number: R-1008) (Section 610 Review)	7100-AC54
4477	Regulation: B — Equal Credit Opportunity; and Regulation: Z — Truth in Lending (Docket Numbers: R-1040 and R-1043)	7100-AC46
4478	Regulation: C — Home Mortgage Disclosure (Docket Number: R-1001)	7100-AC51
4479	Regulation: E — Electronic Fund Transfers (Docket Numbers: R-0919 and R-1041)	7100-AC06
4480	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System (Docket Number: R-1064)	7100-AC69
4481	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System (Docket Number: R-1099)	7100-AC84
4482	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1055)	7100-AB77
4483	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-0930)	7100-AC13
4484	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1087)	7100-AC75

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Federal Reserve System—Final Rule Stage (Continued)

Sequence Number	Title	Regulation Identification Number
4485	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1085)	7100-AC76
4486	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1080)	7100-AC77
4487	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1097)	7100-AC65
4488	Regulation: K — International Banking Operations (Docket Number: R-0994)	7100-AC47
4489	Regulation: M — Consumer Leasing (Docket Number: R-1042)	7100-AC53
4490	Regulation: V — Fair Credit Reporting (Docket Number: R-1082)	7100-AC68
4491	Regulation: W — Transactions Between Banks and Their Affiliates (Docket Number: R-1103)	7100-AC63
4492	Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1091)	7100-AC79
4493	Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1094)	7100-AC81
4494	Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1092)	7100-AC82
4495	Regulation: Z — Truth in Lending (Docket Number: R-1090)	7100-AC83
4496	Regulation: DD — Truth in Savings (Docket Number: R-1044)	7100-AC34
4497	Misc. Interpretations: Application of Sections 23A and 23B of the Federal Reserve Act to Derivative Transactions with Affiliates and Intraday Extensions of Credit to Affiliates (Docket Number: R-1104)	7100-AC85

Federal Reserve System—Completed Actions

Sequence Number	Title	Regulation Identification Number
4498	Regulation: D — Reserve Requirements of Depository Institutions (Docket Number: R-0956)	7100-AC11
4499	Regulation: E — Electronic Fund Transfer (Docket Number: R-1077)	7100-AC67
4500	Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1060)	7100-AC71

Federal Reserve System (FRS)

Proposed Rule Stage

4469. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 12 USC 1828(t)

CFR Citation: 12 CFR 208

Legal Deadline: None

Abstract: Section 204 of the Gramm-Leach-Bliley Act added a new subsection (t) to section 18 of the Federal Deposit Insurance Act requiring the Board, in consultation with the Securities and Exchange Commission, to establish recordkeeping requirements for state member banks and branches and agencies of foreign banks that rely on the exceptions from the definition of broker or dealer provided in section 3(a)(4) or (5) of the Securities Exchange Act of 1934.

The Board anticipates issuing for public comment a rule that would implement these recordkeeping requirements. It is not anticipated that the proposal would have a significant economic impact on a substantial number of small entities subject to the Board's regulation.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	02/00/02	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

Agency Contact: Kieran Fallon, Senior Counsel, Federal Reserve System, Legal Division
Phone: 202 452-5270

RIN: 7100-AC73

4470. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24; 12 USC 24a; 12 USC 36; 12 USC 92a; 12 USC 93a; 12 USC 248(a); 12 USC 248(c); 12 USC 321 to 338a; 12 USC 371d; 12 USC 481 to 486; 12 USC 601; 12 USC 611; 12 USC 1814; 12 USC 1816; ...

CFR Citation: 12 CFR 208; 12 CFR 225

Legal Deadline: None

Abstract: The Board will consider issuing for public comment proposed amendments to Regulations H and Y that will take into account the implications of the Gramm-Leach-Bliley Act (GLB Act) relating to the ability of state member banks to control

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Proposed Rule Stage

operations subsidiaries. The proposed amendments will also include a series of technical changes to Regulation Y necessitated by the GLB Act, as well as a general reorganization of Regulation Y. The proposal should not have a substantive economic impact on small entities, as its substantive portions are expected to liberalize the Board's present rules.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	12/00/01	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None**Agency Contact:** Andrew S. Baer, Counsel, Federal Reserve System, Legal Division

Phone: 202 452-2246

RIN: 7100-AC78

4471. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL(DOCKET NUMBER: R-1084)

Priority: Substantive, Nonsignificant**Legal Authority:** 12 USC 24; 12 USC 36; 12 USC 92(a); 12 USC 93(a); 12 USC 248(a); 12 USC 248(c); 12 USC 321 to 338a; 12 USC 371d; 12 USC 461; 12 USC 481 to 486; 12 USC 601; 12 USC 611; 12 USC 1814; 12 USC 1816; 12 USC 1818; ...**CFR Citation:** 12 CFR 208; 12 CFR 225**Legal Deadline:** None

Abstract: In November 2000, the Board issued for public comment an advance notice of proposed rulemaking on the possible development of a simplified capital framework for non-complex banking organizations (65 FR 66193, November 3, 2000). The options outlined in the proposal include a simplified risk-based framework, a leverage ratio-only approach, or a modified leverage ratio approach. Such a framework could relieve the regulatory burden associated with the existing capital rules for many non-complex domestic banking institutions. The main objective of this proposal is to obtain preliminary views from the industry and the public regarding such

a framework. Following review of the public comments, the Board will decide whether to move forward with a more detailed proposal.

Timetable:

Action	Date	FR Cite
Board requested comment	11/03/00	65 FR 66193
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** Undetermined**Government Levels Affected:** None**Agency Contact:** David Adkins, Supervisory Financial Analyst, Federal Reserve System, Division of Banking Supervision and Regulation

Phone: 202 452-5259

RIN: 7100-AC80

4472. REGULATION: T — CREDIT BY BROKERS AND DEALERS; REGULATION: U — CREDIT BY BANKS; AND REGULATION: X — BORROWERS OF SECURITIES CREDIT (DOCKET NUMBER: R-0995)

Priority: Substantive, Nonsignificant**Legal Authority:** 15 USC 78G, Securities Exchange Act of 1934, as amended**CFR Citation:** 12 CFR 220; 12 CFR 221; 12 CFR 224**Legal Deadline:** None

Abstract: As part of the regular review of its regulations and in accordance with requirements of section 303 of the Riegle Community Development and Regulatory Improvement Act of 1994, and section 610(c) of the Regulatory Flexibility Act of 1994, the Board is conducting a review of its margin regulations. In order to complete this review, the Board approved issuing for public comment an advance notice of proposed rulemaking in December 1997 (63 FR 2840, January 16, 1998). The advance notice highlights issues raised by interested persons in response to previous requests for comment that had not been addressed by the Board in the course of its periodic review. It also provides an opportunity to further harmonize the treatment of bank and nonbank lenders under the revised Regulation U adopted by the Board at the same time as the advance notice. The advance notice also invites comment on all areas of the regulations.

Following review of the public comments, the Board is expected to take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	01/16/98	63 FR 2840
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** Undetermined**Government Levels Affected:** None**Agency Contact:** Scott J. Holz, Counsel, Federal Reserve System, Legal Division

Phone: 202 452-2966

RIN: 7100-AC45

4473. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Priority: Substantive, Nonsignificant**Legal Authority:** 12 USC 1844(b)**CFR Citation:** 12 CFR 225**Legal Deadline:** None

Abstract: Title I of the Gramm-Leach-Bliley Act (GLB Act) makes a number of miscellaneous amendments to sections 3, 4, and 5 of the Bank Holding Company Act of 1956 (BHC Act) and adds a new section 10A to the BHC Act. These amendments, among other things, prohibit the Board from determining that new activities are closely related to banking under section 4(c)(8) of the BHC Act; streamline the Board's reporting, examination, and other supervisory authority over bank holding companies and their subsidiaries; reduce the restrictions applicable to companies that control "nonbank banks" that are exempt from the nonbanking restrictions of the BHC Act under section 4(f) of that Act; and repeal the savings bank life insurance provisions currently set forth in section 3(g) of the BHC Act.

The Board will consider issuing for public comment amendments to Regulation Y to implement the provisions of the GLB Act affecting the BHC Act that are not addressed in proposed rules described elsewhere in the Board's agenda. It is not anticipated that the proposals will have a significant economic impact on a substantial number of small entities subject to the Board's regulation.

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Proposed Rule Stage

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	02/00/02	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None**Agency Contact:** Kieran Fallon, Senior Counsel, Federal Reserve System, Legal Division

Phone: 202 452-5270

RIN: 7100-AC66**4474. • REGULATION: BB — COMMUNITY REINVESTMENT (DOCKET NUMBER: R-1112) (SECTION 610 REVIEW)****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 2901**CFR Citation:** 12 CFR 228**Legal Deadline:** None

Abstract: In 1995, the Board issued Regulation BB which implements the Community Reinvestment Act (CRA). Substantially similar regulations were issued by the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Office of Thrift Supervision (OTS). The regulations' goal was to achieve more objective performance-based CRA examinations and to minimize burden. At the time these regulations were issued, the agencies committed to conducting a 2002 comprehensive review of the regulations' effectiveness in achieving this goal.

In July 2001, the Board, the OCC, FDIC, and OTS issued an advance notice of proposed rulemaking (ANPR) (66 FR 37602, July 19, 2001). The notice identifies key issues in addition to

requesting comment generally on potential revisions to the regulation. The Board is also reviewing the regulation in accordance with requirements of section 610(c) of the Regulatory Flexibility Act of 1994.

The first issue presented in the ANPR is whether any change to the regulations is necessary and warranted, in light of the burden that change would entail. Other issues include: the effectiveness of the evaluation methods set forth in the regulations; the effectiveness of the requirement that large financial institutions collect and report data on small business, small farm, and community development lending; and whether the regulations have provided a reasonable and sufficient standard for designating the communities within which a financial institution's activities will be evaluated during a CRA examination.

It is not anticipated that any rule proposed for public comment would have a significant economic impact on a substantial number of small entities subject to the Board's regulation. Following review of the public comments, the Board is expected to take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	07/19/01	66 FR 37602
Further Board action by	04/00/02	

Regulatory Flexibility Analysis**Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**Agency Contact:** Kathleen Ryan, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs

Phone: 202 452-3667

RIN: 7100-AC87**4475. • REGULATION: DD — TRUTH IN SAVINGS ACT (SECTION 610 REVIEW)****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 4301**CFR Citation:** 12 CFR 230**Legal Deadline:** None

Abstract: Regulation DD, which implements the Truth in Savings Act, requires that depository institutions uniformly disclose to customers information about the terms and conditions on which interest is paid and fees are assessed on deposit accounts.

The Board has targeted for review Regulation DD to update the regulation and to comply with provisions of section 610(c) of the Regulatory Flexibility Act of 1994. The review is expected to commence with publication of an advance notice of proposed rulemaking in 2002 and be completed in that same year.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	03/00/02	

Regulatory Flexibility Analysis**Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**Agency Contact:** Jane Aherns, Senior Counsel, Federal Reserve System, Division of Consumer and Community Affairs

Phone: 202 452-3667

RIN: 7100-AC86

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4476. REGULATION: B — EQUAL CREDIT OPPORTUNITY (DOCKET NUMBER: R-1008) (SECTION 610 REVIEW)**Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 1691**CFR Citation:** 12 CFR 202**Legal Deadline:** None

Abstract: In 1998, Regulation B, which implements the Equal Credit Opportunity Act (ECOA), was targeted for a review to update the regulation. The ECOA makes it unlawful for creditors to discriminate against an applicant, in any aspect of a credit transaction, on the basis of race, color, religion, national origin, gender, marital status, age, and other specified bases.

In March 1998, the Board issued for public comment an advance notice of proposed rulemaking for Regulation B that identified specific issues, in addition to requesting comment on revisions to the regulation (63 FR 12326, March 12, 1998).

In August 1999, following review of the public comments on the advance

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notice, the Board issued for public comment a proposed rule amending Regulation B (64 FR 44582, August 16, 1999). Major revisions in the proposed rule include removing the general prohibition against obtaining information about applicant characteristics such as national origin or gender, although such information still generally may not be considered in extending credit; adding a disclosure requirement for creditors that voluntarily collect data on applicant characteristics; requiring creditors to retain certain records for preapproved credit solicitations; and extending the record retention period for most business credit applications.

Based on the regulatory flexibility analysis, it is not expected that the proposal will have a significant impact on small entities. Although there would be a new disclosure requirement for creditors that voluntarily request information about applicant characteristics, a model form is proposed to ease compliance. Also, there is a new requirement to retain certain records for preapproved credit solicitations. For business reasons, many institutions already retain some of the preapproved credit solicitation information being sought. In addition, compliance burdens should be minimized by the fact that creditors may use a variety of methods, such as electronic storage, to retain records. Following review of the public comments, the Board is expected to take further action.

Timetable:

Action	Date	FR Cite
Board requested comment on advance notice	03/12/98	63 FR 12326
Board requested comment on proposed rule	08/16/99	64 FR 44582
Further Board action by	06/00/02	

Regulatory Flexibility Analysis**Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

Agency Contact: Natalie E. Taylor, Counsel, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-2412

RIN: 7100-AC54

4477. REGULATION: B — EQUAL CREDIT OPPORTUNITY; AND REGULATION: Z — TRUTH IN LENDING (DOCKET NUMBERS: R-1040 AND R-1043)

Priority: Substantive, Nonsignificant**Legal Authority:** 15 USC 1601 et seq; 12 USC 4301 et seq**CFR Citation:** 12 CFR 202; 12 CFR 213; 12 CFR 226; 12 CFR 230**Legal Deadline:** None

Abstract: In March 1998 and September 1999, the Board issued for public comment proposed rules to permit the electronic delivery of Regulation B and Regulation Z disclosures, if the consumer agrees (63 FR 14548, March 25, 1998, and 64 FR 46988, September 14, 1999). The Board also issued similar proposed rules under other consumer financial services laws administered by the Board.

On June 30, 2000, the President signed into law the Electronic Signatures in Global and National Commerce Act (E-Sign Act), which became effective October 1, 2000. The E-Sign Act generally provides that records and signatures may not be denied legal effect solely because they are in electronic form.

The E-Sign Act incorporated some elements of the Board's regulatory proposals governing electronic disclosures. Some provisions in the Board's proposals, however, are modified or preempted by the Act, while other provisions, which are designed to ensure effective delivery of electronic disclosures, were not addressed by the E-Signature Act but are consistent with that Act and could be issued as final rules.

In March 2001, following review of the public comments, the Board issued interim final rules on the electronic delivery of disclosures. Under the interim final rules, consistent with the requirements of the E-Sign Act, creditors generally must obtain consumers' affirmative consent to provide disclosures electronically (66 FR 17329, March 30, 2001, and 66 FR 17779, April 4, 2001). There are exceptions for disclosures not deemed to relate to "transactions," such as disclosures in advertising. The interim final rules also establish uniform requirements for the timing and delivery of electronic disclosures. Disclosures may be sent by e-mail to

an electronic address designated by the consumer, or they may be made available at another location, such as an Internet web site. If disclosures are not sent by e-mail, consumers must receive a notice alerting them to the availability of the disclosures. Disclosures posted on a web site must be available for at least 90 days to allow consumers adequate time to access and retain the information. Creditors must make a good faith attempt to redeliver e-disclosures that are returned undelivered.

The March 2001 rulemakings were published as interim final rules to allow interested persons to present new information or views not considered in previous rulemakings. The rules are not expected to have a significant economic impact on a substantial number of small business entities. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board issued proposed rules	03/25/98	63 FR 14548
Board issued revised proposed rules	09/14/99	64 FR 46988
Board issued interim final rule (Regulation Z)	03/30/01	66 FR 17329
Board issued interim final rule (Regulation B)	04/04/01	66 FR 17779
Further Board action by	12/00/01	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Natalie E. Taylor, Counsel, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-2412

RIN: 7100-AC46

4478. REGULATION: C — HOME MORTGAGE DISCLOSURE (DOCKET NUMBER: R-1001)

Priority: Substantive, Nonsignificant**Legal Authority:** 12 USC 2801**CFR Citation:** 12 CFR 203**Legal Deadline:** None

Abstract: In 1998, Regulation C, which implements the Home Mortgage Disclosure Act (HMDA) was targeted for review to update the regulation. HMDA requires most mortgage lenders

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located in metropolitan areas to report annually to Federal agencies and disclose to the public information about their home purchase and home improvement lending activities. In March 1998, the Board issued an advance notice of proposed rulemaking for Regulation C (63 FR 12329, March 12, 1998). The notice identified several specific issues in addition to requesting comment generally on potential revisions to the regulation.

In December 2000, based on the comments and the Board's own analysis, the Board issued for public comment a proposed rule amending Regulation C (65 FR 78656, December 15, 2000). These amendments would (1) simplify the definition of a "refinancing;" (2) require lenders to report requests for preapprovals; (3) simplify the definition of a reportable home improvement loan; (4) require lenders to report home equity lines of credit; (5) require lenders to report the annual percentage rate on loans, and whether a loan is subject to the Home Ownership and Equity Protection Act, and whether a loan is for manufactured housing; and (6) make other changes to Regulation C.

It is not anticipated that the proposed rule would have a significant economic impact on a substantial number of small entities subject to the Board's regulation. Following review of the public comments, the Board is expected to take further action.

Timetable:

Action	Date	FR Cite
Board requested comment on advance notice	03/12/98	63 FR 12329
Board requested comment on proposed rule	12/15/00	65 FR 78656
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

Agency Contact: Kathleen Ryan, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-2412

RIN: 7100-AC51**4479. REGULATION: E — ELECTRONIC FUND TRANSFERS (DOCKET NUMBERS: R-0919 AND R-1041)****Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 1693 et seq**CFR Citation:** 12 CFR 205**Legal Deadline:** None

Abstract: In March 1998 and September 1999, the Board issued for public comment proposed rules and an interim rule under Regulation E to permit the electronic delivery of disclosures, if the consumer agrees (Docket Number: R-1002; 63 FR 14528, March 25, 1998 (interim rule), and Docket Number: R-1041; 64 FR 49699, September 14, 1999). The Board also issued similar proposed rules under other consumer financial services laws administered by the Board.

On June 30, 2000, the President signed into law the Electronic Signatures in Global and National Commerce Act (E-Sign Act), which became effective October 1, 2000. The E-Sign Act generally provides that records and signatures may not be denied legal effect solely because they are in electronic form.

The E-Sign Act incorporates some elements of the Board's regulatory proposal governing electronic disclosure. Some provisions in the Board's proposal, however, are modified or preempted by the Act, while other provisions, which are designed to ensure effective delivery of electronic disclosures, were not addressed by the E-Sign Act but are consistent with the Act and could be issued as final rules.

In March 2001, the Board issued an interim final rule on the electronic delivery of disclosures. Under the interim final rule, consistent with the requirements of the E-Sign Act, financial institutions generally must obtain consumers' affirmative consent to provide disclosures electronically (66 FR 17786, April 4, 2001). There are exceptions for disclosures not deemed to relate to "transactions," such as disclosure in advertising. The interim final rule also establishes uniform requirements for the timing and delivery of electronic disclosures. Disclosures may be sent by e-mail to an electronic address designated by the consumer, or they may be made available at another location, such as

an Internet web site. If disclosures are not sent by e-mail, consumers must receive a notice alerting them to the availability of the disclosures. Disclosures posted on a web site must be available for at least 90 days to allow consumers adequate time to access and retain the information. Institutions must make a good faith attempt to redeliver e-disclosures that are returned undelivered. Under the March 2001 interim final rule, the March 1998 interim rule is withdrawn.

The March 2001 rulemaking was published as an interim final rule to allow interested persons to present new information or views not considered in previous rulemakings. The rule is not expected to have a significant economic impact on a substantial number of small business entities. Following review of the public comments, the Board is expected to take further action.

A May 1996 Regulation E proposal to permit financial institutions to provide disclosures electronically also included proposed amendments imposing modified requirements on stored-value products in systems that track individual transactions, cards, or consumers and providing an exemption for cards on which a maximum value of \$100 can be stored (Docket Number: R-0919; 61 FR 19696, May 2, 1996); the latter proposal remains pending.

Timetable:

Action	Date	FR Cite
Board issued proposed rule on coverage of stored-value products	05/02/96	61 FR 19696
Board issued interim rule permitting electronic delivery of disclosures	03/25/98	63 FR 14528
Board issued proposed rule imposing additional requirements re: electronic delivery of disclosures	09/14/99	64 FR 49699
Board issued interim final rules	04/04/01	66 FR 17786
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None

Agency Contact: John C. Wood, Counsel, Federal Reserve System, Division of Consumer and Community Affairs

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Phone: 202 452-2412

RIN: 7100-AC06

4480. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM (DOCKET NUMBER: R-1064)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 335; 12 USC 1835a

CFR Citation: 12 CFR 208

Legal Deadline: None

Abstract: In March 2000, the Board approved an interim rule with request for public comment amending Regulation H to implement section 121 of the Gramm-Leach-Bliley Act for state member banks (65 FR 14810, March 20, 2000). Section 121 in part authorizes state member banks to control, or hold an interest in, financial subsidiaries so as to conduct certain activities that are financial in nature or incidental to a financial activity. In August 2001, following review of the public comments, the Board adopted the final rule substantially as proposed (66 FR 42929, August 16, 2001).

The Board will also consider issuing for public comment a proposed rule in place of an existing Miscellaneous Interpretation (12 CFR 250.141) relating to member bank purchases of stock in operations subsidiaries to update its provisions and conform to section 121. A proposal to amend section 208.7 of Regulation H (deposit production offices) to conform its definitional provisions to section 106 of the Gramm-Leach-Bliley Act in conjunction with parallel activities by the other banking agencies has been issued for public comment and appears elsewhere in the agenda (Docket Number: R-1099; RIN 7100-AC84).

It is not anticipated that the proposals will have a significant economic impact on a substantial number of small entities subject to the Board's regulation.

Timetable:

Action	Date	FR Cite
Board requested comment on interim rule	03/20/00	65 FR 14810
Board adopted interim rule	08/16/01	66 FR 42929

Action	Date	FR Cite
Board will consider requesting comment on replacement rule for Miscellaneous Interpretation by	12/00/01	
Regulatory Flexibility Analysis Required: No		
Government Levels Affected: None		
Agency Contact: Michael J. O'Rourke, Counsel, Federal Reserve System, Legal Division Phone: 202 452-3288 RIN: 7100-AC69		

4481. • REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM (DOCKET NUMBER: R-1099)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1835a

CFR Citation: 12 CFR 208

Legal Deadline: None

Abstract: In April 2001, the Board, along with the other banking agencies, issued for public comment a proposed rule that would amend uniform regulations implementing section 109 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (Interstate Act) to effectuate the amendment of section 109 contained in section 106 of the Gramm-Leach-Bliley Act (66 FR 18411, April 9, 2001). Section 109 prohibits a bank from establishing or acquiring a branch or branches outside of its home state for the purpose of deposit production. Additionally, section 109 contains guidelines for determining whether a bank is reasonably helping to meet the credit needs of communities served by an out-of-state branch or branches. Section 106 expanded the coverage of section 109 of the Interstate Act to include any branch of a bank controlled by an out-of-state bank holding company. The proposed rule amends the regulatory deposit production prohibition to include any bank or branch controlled by an out-of-state bank holding company, including a bank consisting only of a main office.

It is not anticipated that the rule will have a significant economic impact on a substantial number of small entities subject to the regulation. Following review of the public comments, the Board is expected to take further action.

Timetable:		
Action	Date	FR Cite
Board requested comment	04/09/01	66 FR 18411
Further Board action by	12/00/01	
Regulatory Flexibility Analysis Required: No		
Government Levels Affected: None		
Agency Contact: Michael J. O'Rourke, Counsel, Federal Reserve System, Legal Division Phone: 202 452-3288 RIN: 7100-AC84		

4482. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1055)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 36; 12 USC 248(a); 12 USC 248(c); 12 USC 321 to 338; 12 USC 371d; 12 USC 461; 12 USC 481 to 486; 12 USC 601; 12 USC 611; 12 USC 1814; 12 USC 1817(j)(13); 12 USC 1818; 12 USC 1823(j); 12 USC 1828(o); 12 USC 1831i; ...

CFR Citation: 12 CFR 208 app A; 12 CFR 225 app A

Legal Deadline: None

Abstract: In November 1997, the Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision ("the agencies") issued for public comment proposals to use credit ratings from nationally recognized statistical rating organizations to determine the capital treatment for recourse obligations, direct credit substitutes, and senior asset-backed securities (62 FR 59944, November 5, 1997). In February 2000, based on the public comments, the Board and the other agencies issued for further comment a proposal to clarify and revise the regulatory capital treatment of securitized transactions (65 FR 12320, March 8, 2000). The proposal would treat recourse obligations and direct credit substitutes more consistently than the agencies' current risk-based capital standards.

Small entities would be affected by the proposals only to the extent that they

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engage in extending recourse arrangements and direct credit substitutes or purchasing asset-backed securities. It is not expected that the proposals will have a significant economic impact on small institutions. Following review of the public comments, the Board is expected to take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	11/05/97	62 FR 59944
Board requested additional comment	03/08/00	65 FR 12320
Further Board action by	12/00/01	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None

Agency Contact: Thomas R. Boemio, Senior Supervisory Financial Analyst, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-2982

RIN: 7100-AB77

4483. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-0930)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 36; 12 USC 248(a); 12 USC 248(c); 12 USC 321 to 338a; 12 USC 371d; 12 USC 461; 12 USC 481 to 486; 12 USC 601; 12 USC 611; 12 USC 1814; 12 USC 1823(j); 12 USC 1828(o); 12 USC 1831(o); 12 USC 1831p-1; 12 USC 3105; ...

CFR Citation: 12 CFR 208 app A**Legal Deadline:** None

Abstract: In August 1996, the Board issued for public comment a proposal to revise the risk-based capital treatment for certain collateralized transactions (61 FR 42565, August 16, 1996). Under the Board's existing risk-based capital treatment, the portion of a transaction that is supported by qualifying collateral (that is, cash or OECD government securities) is risk-weighted at 20 percent. Transactions that are fully supported by collateral with a positive margin may be eligible for a zero percent risk weight. Generally, the proposal would permit

a portion of a transaction that is fully supported with a positive margin of collateral to be eligible for a zero percent risk weight. The portion that is to be continuously collateralized must be identified by the parties.

This proposal was developed on an interagency basis and, if adopted, would eliminate one of the substantive differences among the agencies with regard to the risk-based capital treatment for collateralized transactions. It would implement part of the Riegle Community Development and Regulatory Improvement Act of 1994, which requires the agencies to make uniform regulations and guidelines implementing common supervisory policies. The effect of the proposal would be to allow institutions to hold less capital for certain collateralized transactions. It is not expected to have a significant economic impact on a substantial number of small entities.

Following review of the public comments and development of an interagency final rule, the Board is expected to take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	08/16/96	61 FR 42565
Further Board action by	01/00/02	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None

Agency Contact: John Connolly, Supervisory Financial Analyst, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-3621

RIN: 7100-AC13

4484. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1087)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24; 12 USC 36; 12 USC 92a; 12 USC 93a; 12 USC 248(a); 12 USC 248(c); 12 USC 321 to 338a; 12 USC 371d; 12 USC 461; 12 USC 1817(j)(13); 12 USC 1818; 12 USC

1818(o); 12 USC 1831i; 12 USC 1831p-1; 12 USC 1843(c)(8); ...

CFR Citation: 12 CFR 208; 12 CFR 225**Legal Deadline:** None

Abstract: In December 2000, the Board issued for public comment proposed amendments to Regulations H and Y that would effectively reduce the capital requirement for certain securities borrowing transactions (65 FR 75856, December 5, 2000). The proposed amendments would recognize the historically low risk of these transactions and bring the capital requirements for U.S. banking organizations into better alignment with the capital requirements of other U.S. and non-U.S. regulators of financial institutions. The proposed amendments would have little or no effect on small banking organizations subject to the Board's regulation, as securities borrowing activities are concentrated in a relatively small number of very large banking organizations. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	12/05/00	65 FR 75856
Further Board action by	12/00/01	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None

Agency Contact: David Adkins, Supervisory Financial Analyst, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-5259

RIN: 7100-AC75

4485. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1085)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24; 12 USC 36; 12 USC 92a; 12 USC 93a; 12 USC 248(a); 12 USC 248(c); 12 USC 321 to 338a; 12 USC 371d; 12 USC 461; 12 USC 1817(j)(13); 12 USC 1818; 12 USC 1818(o); 12 USC 1831i; 12 USC 1831p-1; 12 USC 1843(c)(8); ...

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CFR Citation: 12 CFR 208; 12 CFR 225**Legal Deadline:** None

Abstract: In December 2000, the Board issued for public comment proposed amendments to the Board's regulatory capital guidelines for banks and bank holding companies that would apply a 20 percent risk weight to claims on, and claims guaranteed by, qualifying securities firms (65 FR 76180, December 6, 2000). The proposed rule is consistent with an amendment to the Basel Accord adopted by the Basel Committee on Banking Supervision in April 1998. It would reduce the risk weight from 100 percent to 20 percent applied to claims on, and claims guaranteed by, certain securities firms incorporated in countries that are members of the Organization for Economic Cooperation and Development, subject to certain prudential requirements. It is not anticipated that the proposal will have a significant economic impact on a substantial number of small institutions. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested public comment	12/06/00	65 FR 76180
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None

Agency Contact: John Connolly, Supervisory Financial Analyst, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-3621

RIN: 7100-AC76

4486. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1080)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24; 12 USC 36; 12 USC 92a; 12 USC 93a; 12 USC 248(a); 12 USC 248(c); 15 USC 78b; 15 USC 781(b); 15 USC 781(g); 15 USC 781(i); 31 USC 5318; 42 USC 4012a; 42 USC 4104a; ...

CFR Citation: 12 CFR 208; 12 CFR 225**Legal Deadline:** None

Abstract: In September 2000, the Board issued for public comment proposed amendments to Regulations H and Y to amend the Tier 1 leverage and risk-based capital guidelines for residual interests for all state member banks and bank holding companies (65 FR 57993, September 27, 2000). The proposal would better align the capital requirements with the risks associated with such assets. It is not expected that the amendments would have a significant economic impact on a substantial number of small institutions. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	09/27/00	65 FR 57993
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None

Agency Contact: Arleen Lustig, Supervisory Financial Analyst, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-2987

RIN: 7100-AC77

4487. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1097)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1844(b); 12 USC 329; 12 USC 1843(k)(7); 12 USC 3906 to 3909

CFR Citation: 12 CFR 225**Legal Deadline:** None

Abstract: In March 2000, the Board issued for public comment proposed amendments to its capital guidelines for bank holding companies (Docket Number: R-1067) to address the appropriate regulatory capital treatment for merchant banking investments and investments in nonfinancial companies made under section 4(c)(6) or 4(c)(7) of the Bank Holding Company Act,

section 211.5(b)(1)(iii) of the Board's Regulation K, section 302(b) of the Small Business Investment Act of 1958, or section 24 of the Federal Deposit Insurance Act. Following review of the comments on the proposal, and after consulting with the Treasury Department and the other federal banking agencies, the Board, jointly with the OCC and FDIC, in February 2001, requested public comment on a revised capital proposal (66 FR 10212, February 14, 2001). The revised proposal would apply a series of marginal capital charges on covered equity investments that increase with the level of a banking organization's overall exposure to equity investments relative to the organization's Tier 1 capital. The proposal would apply to merchant banking investments held by financial holding companies as well as investments in nonfinancial companies by banks and bank holding companies under other authorities.

The Board requested public comment on the potential impact of the capital proposal on small entities and will carefully consider the economic impact of any further actions on small entities subject to the Board's regulation. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment on proposed rules	03/28/00	65 FR 16460
Board requested comment on new capital proposal	02/14/01	66 FR 10212
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

Agency Contact: Kieran Fallon, Senior Counsel, Federal Reserve System, Legal Division
Phone: 202 452-5270

RIN: 7100-AC65

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4488. REGULATION: K — INTERNATIONAL BANKING OPERATIONS (DOCKET NUMBER: R-0994)**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 221 et seq; 12 USC 248(i); 12 USC 248(k); 12 USC 1818; 12 USC 1835a; 12 USC 1841 et seq; 12 USC 3101 et seq; 12 USC 3109 et seq**CFR Citation:** 12 CFR 211**Legal Deadline:** None

Abstract: In December 1997, consistent with section 303 of the Riegle Community Development and Regulatory Improvement Act of 1994, the International Banking Act of 1978, and section 2222 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996, the Board reviewed and proposed for public comment a number of changes to Regulation K, which governs international banking operations (62 FR 68424, December 31, 1997). Subpart A of Regulation K governs the foreign investments and activities of all member banks. The proposed amendments include streamlined foreign branching procedures for U.S. banking organizations, authorization of expanded activities in foreign branches of U.S. banks, and expansion of the authority of U.S. banking organizations to engage in equity dealing and underwriting and to make venture capital investments outside the United States. Subpart B of Regulation K governs the U.S. activities of foreign banking organizations. The proposed amendments include revisions aimed at streamlining the applications procedures applicable to foreign banks seeking to expand operations in the United States, changes to provisions regarding the qualification of certain foreign banking organizations for exemption from the nonbanking prohibitions of section 4 of the Bank Holding Company Act, and implementation of provisions of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 that affect foreign banks. In addition, a number of technical and clarifying amendments to subparts A and B, as well as to subpart C which governs export trading companies, and certain amendments to the Board's Rules Regarding Delegation of Authority have been proposed. Aspects of the proposed rule are being considered in light of

the enactment of the Gramm-Leach-Bliley Act.

The proposed amendments are not expected to have a significant economic impact on a substantial number of small entities. Following review of the public comments, the Board is expected to take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	12/31/97	62 FR 68424
Further Board action by	12/00/01	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Agency Contact:** Kathleen M. O'Day, Associate General Counsel, Federal Reserve System, Legal Division
Phone: 202 452-3786**RIN:** 7100-AC47**4489. REGULATION: M — CONSUMER LEASING (DOCKET NUMBER: R-1042)****Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 1667**CFR Citation:** 12 CFR 213**Legal Deadline:** None

Abstract: In March 1998 and September 1999, the Board issued for public comment proposed rules under Regulation M, which implements the Consumer Leasing Act, to permit the electronic delivery of disclosures, if the consumer agrees (63 FR 14538, March 25, 1998 and 64 FR 49713, September 14, 1999). The Board also issued similar proposed rules under other consumer financial services regulations administered by the Board.

On June 30, 2000, the President signed into law The Electronic Signatures in Global and National Commerce Act (E-Sign Act), which became effective October 1, 2000. The E-Sign Act generally provides that records and signatures may not be denied legal effect solely because they are in electronic form.

The E-Sign Act incorporated some elements of the Board's regulatory proposal governing electronic disclosures. Some provisions in the Board's proposal, however, are modified or preempted by the Act, while other provisions, which are designed to ensure effective delivery of

electronic disclosures, were not addressed by the E-Sign Act but are consistent with that Act and could be issued as final rules.

In March 2001, following review of the public comments, the Board issued an interim final rule on the electronic delivery of disclosures. Under the interim final rule, consistent with the requirements of the E-Sign Act, lessors generally must obtain consumers' affirmative consent to provide disclosures electronically (66 FR 17322, March 30, 2001). There are exceptions for disclosures not deemed to relate to "transactions," such as disclosures in advertising. The interim final rule also establishes uniform requirements for the timing and delivery of electronic disclosures. Disclosures may be sent by e-mail to an electronic address designated by the consumer, or they may be made available at another location, such as an Internet web site. If disclosures are not sent by e-mail, consumers must receive a notice alerting them to the availability of the disclosures. Disclosures posted on the web site must be available for at least 90 days to allow consumers adequate time to access and retain the information. Lessors must make a good faith attempt to redeliver e-disclosures that are returned undelivered.

The March 2001 rulemaking was published as an interim final rule to allow interested persons to present new information or views not considered in previous rulemakings. The rule is not expected to have a significant economic impact on a substantial number of small business entities. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board issued proposed rule	03/25/98	63 FR 14538
Board issued revised proposed rule	09/14/99	64 FR 49713
Board issued interim final rule	03/30/01	66 FR 17322
Further Board action by	12/00/01	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Agency Contact:** Jane Ahrens, Senior Counsel, Federal Reserve System, Division of Consumer and Community Affairs

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Phone: 202 452-2412

RIN: 7100-AC53

4490. REGULATION: V — FAIR CREDIT REPORTING (DOCKET NUMBER: R-1082)**Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 1681 et seq**CFR Citation:** 12 CFR 222**Legal Deadline:** None

Abstract: In 1996, the Congress amended the Fair Credit Reporting Act (FCRA) as part of the Consumer Credit Reporting Reform Act. The amendments prohibited the federal regulatory agencies from issuing implementing regulations. In November 1999, the Congress once again amended the FCRA as part of the Gramm-Leach-Bliley Act. The amendments lifted the prohibition and directed the Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision to issue implementing regulations jointly.

In October 2000, the agencies issued an initial set of proposed regulations for public comment (65 FR 63120, October 20, 2000). The proposal is not expected to have a significant economic impact on a substantial number of small entities. Following review of the public comments, the agencies will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	10/20/00	65 FR 63120
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None

Agency Contact: David Stein, Attorney, Federal Reserve System, Division of Consumer and Community Affairs

Phone: 202 452-3667

RIN: 7100-AC68

4491. REGULATION: W — TRANSACTIONS BETWEEN BANKS AND THEIR AFFILIATES (DOCKET NUMBER: R-1103)**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 371c; 12 USC 371c-1**CFR Citation:** 12 CFR 223**Legal Deadline:** None

Abstract: In May 2001, in response to passage of the Gramm-Leach-Bliley Act, the Board issued for public comment a new regulation (Regulation W) to implement sections 23A and 23B of the Federal Reserve Act (66 FR 24186, May 11, 2001). Sections 23A and 23B regulate transactions between insured depository institutions and their affiliates. The proposed regulation codifies existing interpretations and asks for comment on new interpretations and exemptions. The proposal also requests comment on the treatment of derivatives and intra-day credit exposures between insured depository institutions and their affiliates. While it is not expected that the proposal will have a significant economic impact on a substantial number of small institutions subject to the Board's regulation, the Board has specifically requested comment on the likely burden the rule will impose. Following review of the public comments, the Board is expected to take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	05/11/01	66 FR 24186
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

Agency Contact: Pamela G. Nardolilli, Senior Counsel, Federal Reserve System, Legal Division

Phone: 202 452-3289

RIN: 7100-AC63

4492. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1091)**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1843**CFR Citation:** 12 CFR 225.86**Legal Deadline:** None

Abstract: In January 2001, the Board issued for public comment a proposed rule amending Regulation Y that would define real estate brokerage and real estate management activities as

financial in nature or incidental to a financial activity and therefore permissible for financial holding companies under the Board's Regulation Y (66 FR 307, January 3, 2001). The proposal would facilitate the creation of diversified financial companies that can offer "one-stop shopping" to consumers contemplating the purchase or management of real estate. The proposal is not expected to have a significant economic impact on a substantial number of small business entities. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	01/03/01	66 FR 307
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None

Agency Contact: Mark E. Van Der Weide, Counsel, Federal Reserve System, Legal Division

Phone: 202 452-2263

RIN: 7100-AC79

4493. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1094)**Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1843**CFR Citation:** 12 CFR 225.86(e)**Legal Deadline:** None

Abstract: In December 2000, the Board, jointly with the Department of the Treasury, issued interim rules with request for public comment that implement section 4(k)(5) of the Bank Holding Company Act and section 5136A(b)(3) of the Revised Statutes, which were added by the Gramm-Leach-Bliley Act (66 FR 257, January 3, 2001). The interim rules find three general types of activities to be financial in nature or incidental to a financial activity, and create a mechanism by which financial holding companies, financial subsidiaries of national banks, or others may request that the Board or the Secretary of the Treasury, respectively, define particular activities within one of the three categories. Such activities would

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therefore be permissible for financial holding companies and financial subsidiaries of national banks. The rules are not expected to have a significant economic impact on a substantial number of small entities. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	01/03/01	66 FR 257
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** No**Government Levels Affected:** None

Agency Contact: Andrew S. Baer, Counsel, Federal Reserve System, Legal Division
Phone: 202 452-2246

RIN: 7100-AC81**4494. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1092)****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1843(k)**CFR Citation:** 12 CFR 225.28; 12 CFR 225.89**Legal Deadline:** None

Abstract: In December 2000, the Board issued for public comment a proposed rule that would allow all bank holding companies to conduct a greater amount of nonfinancial data processing than previously authorized (65 FR 80384, December 21, 2000). The proposed rule also would allow financial holding companies, as a complementary activity, to own companies engaged in certain data processing-related activities, such as data storage and Internet and portal hosting. The Board anticipates that the proposal would allow bank holding companies to provide a wider range of financial products and services to customers and would not have a significant economic impact on a substantial number of small entities. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	12/21/00	65 FR 80384

Action	Date	FR Cite
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

Agency Contact: Adrienne G. Threatt, Senior Attorney, Federal Reserve System, Legal Division
Phone: 202 452-3554

RIN: 7100-AC82**4495. REGULATION: Z — TRUTH IN LENDING (DOCKET NUMBER: R-1090)****Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 1601 et seq**CFR Citation:** 12 CFR 226**Legal Deadline:** None

Abstract: In December 2000, the Board issued for public comment proposed amendments to the provisions of Regulation Z that implement the Home Ownership and Equity Protection Act (HOEPA) (65 FR 81438, December 26, 2000). HOEPA was enacted in response to evidence of abusive lending practices in the home-equity lending market. The amendments would (1) broaden the scope of mortgage loans subject to HOEPA; (2) prohibit certain acts and practices in connection with home-secured loans, including rules to restrict creditors from engaging in repeated refinancings of their own HOEPA loans over a short period of time; (3) strengthen HOEPA's prohibition against extending credit without regard to consumers' repayment ability; and (4) enhance disclosures for HOEPA-covered loans that consumers receive before closing. The proposed rule is expected to benefit the public by furthering HOEPA's protections against abusive lending practices. It is not expected to have a significant economic impact on a substantial number of small business entities. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	12/26/00	65 FR 81438
Further Board action by	12/00/01	

Regulatory Flexibility Analysis**Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

Agency Contact: Jane Ahrens, Senior Counsel, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-2412

RIN: 7100-AC83**4496. REGULATION: DD — TRUTH IN SAVINGS (DOCKET NUMBER: R-1044)****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 4301 et seq**CFR Citation:** 12 CFR 230**Legal Deadline:** None

Abstract: In March 1998 and September 1999, the Board issued for public comment proposed rules and an interim rule under Regulation DD, which implements the Truth in Savings Act (TISA), to permit the electronic delivery of disclosures, if the consumer agrees (63 FR 14533, March 25, 1998, and 64 FR 49740, September 14, 1999). The interim rule permits the electronic delivery of TISA disclosures provided on periodic statements. The Board also issued similar proposed rules under other consumer financial services laws administered by the Board.

On June 30, 2000, the President signed into law the Electronic Signatures in Global and National Commerce Act (E-Sign Act), which became effective October 1, 2000. The E-Sign Act generally provides that records and signatures may not be denied legal effect solely because they are in electronic form.

The E-Sign Act incorporated some elements of the Board's regulatory proposal governing electronic disclosures. Some provisions in the Board's proposal, however, are modified or preempted by the Act, while other provisions, which are designed to ensure effective delivery of electronic disclosures, were not addressed by the E-Sign Act but are consistent with that Act and could be issued as final rules.

In March 2001, following review of the public comments, the Board issued an interim final rule on the electronic delivery of disclosures. Under the interim final rule, consistent with the requirements of the E-Sign Act, depository institutions generally must obtain consumers' affirmative consent to provide disclosures electronically (66

FR 17795, April 4, 2001). There are exceptions for disclosures not deemed to relate to "transactions," such as disclosures in advertising. The interim final rule also establishes uniform requirements for the timing and delivery of electronic disclosures. Disclosures may be sent by e-mail to an electronic address designated by the consumer, or they may be made available at another location, such as an Internet web site. If disclosures are not sent by e-mail, consumers must receive a notice alerting them to the availability of the disclosures. Disclosures posted on a web site must be available for at least 90 days to allow consumers adequate time to access and retain the information. Institutions must make a good faith attempt to redeliver e-disclosures that are returned undelivered. Under the interim final rule, the interim rule permitting electronic delivery of Regulation DD disclosures on periodic statements is withdrawn.

The March 2001 rulemaking was published as an interim final rule to allow interested persons to present new information or views not considered in previous rulemakings. The rule is not expected to have a significant economic impact on a substantial number of small business entities. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board issued proposed rule	03/25/98	63 FR 14533
Board issued revised proposed rule and interim rule	09/14/99	64 FR 49740
Board issued interim final rule	04/04/01	66 FR 17795
Further Board action by	12/00/01	

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Jane Ahrens, Senior Counsel, Federal Reserve System, Division of Consumer and Community Affairs

Phone: 202 452-2412

RIN: 7100-AC34

4497. • MISC. INTERPRETATIONS: APPLICATION OF SECTIONS 23A AND 23B OF THE FEDERAL RESERVE ACT TO DERIVATIVE TRANSACTIONS WITH AFFILIATES AND INTRADAY EXTENSIONS OF CREDIT TO AFFILIATES (DOCKET NUMBER: R-1104)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 371c(f); 12 USC 371c-1(e)

CFR Citation: 12 CFR 250.247

Legal Deadline: None

Abstract: The Gramm-Leach-Bliley Act (GLB Act) required the Board to adopt, by May 12, 2001, final rules under section 23A to address credit exposures arising out of derivative transactions between insured depository institutions and their affiliates and intraday extensions of credit by insured depository institutions to their affiliates as covered transactions. In May 2001, the Board adopted interim final rules pursuant to the amendments to section 23A contained in the GLB Act and requested public comment on the rules (66 FR 24229, May 11, 2001).

The interim rule (1) requires that an institution establish and maintain policies and procedures reasonably designed to manage the credit exposure

arising from the institution's derivative transactions with affiliates and (2) clarifies that institution-affiliate derivative transactions are subject to the market terms requirement of section 23B. The policies and procedures must at a minimum provide for monitoring and controlling the credit exposure arising from the institution's derivative transactions with each affiliate and all affiliates in the aggregate, and ensure that the institution's derivative transactions with affiliates comply with section 23B. The intraday credit rule also requires insured depository institutions to have policies and procedures in place and clarifies that the transactions are subject to section 23B.

While the proposal is not expected to have a significant economic impact on small institutions, the Board has specifically requested comment on the likely burden the rule will impose. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	05/11/01	66 FR 24229
Further Board action by	12/00/01	

Regulatory Flexibility Analysis

Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Mark E. Van Der Weide, Counsel, Federal Reserve System, Legal Division
Phone: 202 452-2263

RIN: 7100-AC85

Federal Reserve System (FRS)

Completed Actions

4498. REGULATION: D — RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS (DOCKET NUMBER: R-0956)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 611; 12 USC 3105; 12 USC 248(a); 12 USC 248(c); 12 USC 371a; 12 USC 461; 12 USC 601

CFR Citation: 12 CFR 204

Legal Deadline: None

Abstract: In December 1996, the Board issued for public comment a proposed rule that would revise and clarify the definition of "savings deposit" consistent with comments received in connection with the Board's June 1996 proposal to simplify Regulation D. The proposal would also make conforming changes to the definition of

"transaction account" (61 FR 96054, December 31, 1996). No substantive change in the regulation is intended. It is not expected that the proposal will have a significant adverse impact upon a substantial number of small entities. Further action on this proposal is not expected during the next six months.

FRS

Completed Actions

Timetable:

Action	Date	FR Cite
Board requested comment	12/31/96	61 FR 69054
Further Board action not expected during the next six months	09/10/01	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Agency Contact:** Heatherun Allison, Counsel, Federal Reserve System, Legal Division
Phone: 202 452-3565**RIN:** 7100-AC11**4499. REGULATION: E — ELECTRONIC FUND TRANSFER (DOCKET NUMBER: R-1077)****Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 1693 et seq**CFR Citation:** 12 CFR 205**Legal Deadline:** None

Abstract: In November 1999, the Congress amended the Electronic Funds Transfer Act as a part of the Gramm-Leach-Bliley Act (GLB Act). The purpose of the amendments is to require disclosure of automatic transfer machine (ATM) fees imposed by ATM operators on consumers who hold accounts at other financial institutions.

In July 2000, the Board issued for public comment proposed amendments to Regulation E to implement the

statutory provisions of the GLB Act (65 FR 44481, July 18, 2000).

In March 2001, following review of the public comments, the Board adopted a final rule, substantially as proposed, requiring disclosure of ATM fees, (66 FR 13409, March 6, 2001). The final rule is not expected to have a significant economic impact on small entities.

Timetable:

Action	Date	FR Cite
Board requested comment	07/18/00	65 FR 44481
Board adopted proposal	03/06/01	66 FR 13409

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Agency Contact:** John C. Wood, Counsel, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-2412**RIN:** 7100-AC67**4500. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1060)****Priority:** Substantive, Nonsignificant**Legal Authority:** 12 USC 1972**CFR Citation:** 12 CFR 225.7**Legal Deadline:** None

Abstract: In February 2000, the Board issued for public comment a proposed

exception to the anti-tying restrictions of section 106 of the Bank Holding Company Act Amendments of 1970 and the Board's Regulation Y (65 FR 6924, February 11, 2000). The proposed amendment would establish a "safe harbor" permitting a bank to offer a credit card that can be used to make purchases from a retailer affiliated with the bank. It is expected that the proposed rule would benefit the public by providing consumers with alternative sources of consumer credit, and is not expected to have a significant economic impact on a substantial number of small business entities. Further action on the proposal is not expected during the next six months.

Timetable:

Action	Date	FR Cite
Board requested comment	02/11/00	65 FR 6924
Further Board action not expected during next six months	09/10/01	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Agency Contact:** Andrew S. Baer, Counsel, Federal Reserve System, Legal Division
Phone: 202 452-2246**RIN:** 7100-AC71

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